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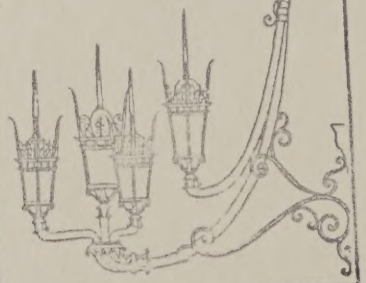

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TWENTY-TWO YEARS OF BOSTON'S FISCAL RECORD: A REVIEW OF EXPENDITURE AND REVENUE TRENDS FOR BOSTON CITY GOVERNMENT, 1960-1982

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I. SUMMARY: HIGHLIGHTS OF BOSTON'S FISCAL HISTORY, 1960-1982

The legacy of the last two decades of Boston's fiscal record has been one of accomplishment, change, and challenge. Patterns of spending and funding have ebbed and flowed over this period as a consequence of revenue constraints and changes in budgetary strategy at the federal, state and local levels of government. The single most notable feature of this study is the rise in the level of revenues and expenditures to a peak in the mid-1970s; they have fallen significantly since and especially following the adoption of Proposition 2½ in November 1980.

In dollars of constant value, Boston City government expenditures grew by 33 percent between 1960 and 1980, a net total of $259 million. Revenues grew at a similar 37 percent rate, or $283 million, over the same time span from the base year total in 1960. Since 1980 both expenditures and revenues have shown a steady drop, reducing the twenty-two year increase to only twelve percent ($96 million) in the case of expenditures, and twelve percent ($87 million) for revenue, in relation to 1960, when the City's role and rsponsibility entailed fewer functions. By 1981, Boston's expenditures, after rising through the mid-1970s, had returned to almost the same share of both Gross City Product (6.6 percent) and Earned Income (9.8 percent), close to that it held 22 years before. Thus, even though the significance of City governmental expenditure programs has grown over the period, they represented a rather small share of economic activity in Boston as of 1982.

CITY EXPENDITURES AS A SHARE OF ECONOMIC GROWTH, 1960-1982
(In Thousands of Current Year Dollars)

Year	Earned Income*	Gross Product	City Expenditures	Expenditures As a % of Gross Product	Expenditures As a % of Earned Income
1960	$2,442,700	$3,781,000	$228,000	6.03	9.33
1965	3,068,900	4,829,000	304,000	6.30	9.91
1970	4,487,900	6,833,000	451,000	6.60	10.05
1975	5,929,300	8,944,000	841,000	9.40	14.18
1980	9,122,400	13,632,000	950,000	6.97	10.41
1981	9,900,900	14,795,400	974,000	6.58	9.84

* Note: Boston earned income is 96 percent of Suffolk County.

Source: U.S. Bureau of Economic Analysis and Boston Redevelopment Authority, 1982.

The larger role that City expenditures played in the 1970s enabled the City to mark several key accomplishments:

1. The provision of the necessary traditional public services including police, fire, and hospitals among others;

2. The addition of a wider range of newer City services, particularly in the fields of housing, community, neighborhood, and human resource development; and

3. The significant commitment to capital expenditures allowing for the upgrading and modernization of many of the City's public physical facilities and much of its infrastructure.

The larger role of City government, in the 1970s particularly, fostered the social, economic, and physical development of Boston for the benefit of residents, workers, and businesses. These benefits were shared by all diverse groups; the young and the old, the rich and the poor, residents and commuters, and both long-time residents and newer Bostonians. These expenditures allowed the City to become a more attractive place to live, work, shop, and visit. In fact, the good performance of the

City economy, in the 1976-1982 period as measured by rising employment, lower unemployment rates, and steadily improving per capita income growth can be attributed, in part, to the role that City government played in developing its physical, economic, and human resources over the prior fifteen years.

The changing patterns of Boston's fiscal situation over the past twenty-two years are reflected in the varying composition of expenditure and revenue categories. Revenue trends reveal a reduced reliance on local (property) tax sources and a growing reliance on non-tax sources as well as state and federal aid. Expenditure patterns over time have shown a smaller role for City departmental functions, a greater share for schools, and a larger share for fixed cost items (pensions, debt service, state assessments). In expenditures, the 1960s were marked by an emphasis upon departmental and school spending. The 1970s ushered in a period of rising capital expenditures and higher school costs. In revenues, the 1960s was a period of great reliance upon both local tax and non-tax revenues. In the 1970s, revenue trends showed a much greater use of long-term loans, state aid, and federal aid to the City. State aid is now as important as City property tax revenue.

Drastically changed patterns of spending and funding have been evident since 1980. The last two fiscal years have been a time of curtailed expenditures resulting from revenue shortfalls brought about by, (1) the "Tregor" court mandate requiring repayment of taxes collected in prior years, abatements, (2) the Proposition 2½ limitation on the City's property tax levy, and (3) cutbacks in federal aid. Thus, the major development in expenditure trends has been the lower proportion of spending in departmental budgets and for capital

construction purposes contrasted with a greater share for school and fixed costs. On the revenue side, the primary trend is for lower tax receipts, lower federal aid, similar state funding as before, and greater City non-tax revenues.

In brief, the trends of the last two years represent a period of austerity and belt-tightening for the City. It is a newer period in City Government finances where expenditure cuts and strict fiscal priorities in the budget are needed to cope with revenue losses from reduced tax levies and federal intergovernmental aid sources. The 1980s will be a period of fiscal challenge. Effective use of scarce resources and innovative means of revenue production will be required if City government is to be the positive force behind economic growth and development and neighborhood public services in Boston.

II. EXPENDITURE ANALYSIS, 1960-1980

Total expenditures for the City of Boston-related governmental services grew 33 percent, in constant 1981 dollar terms, from 1960 through 1980 going from $777 million to $1,036 million, a rise of $259 million. This gain compares with the twenty percent growth of earned income in the same period. See Chart 1.

Among the major findings: departmental spending dropped from 55 percent of total spending in the early 1960s, to 44 percent by 1970, and to 41 percent by 1980; school spending rose in share steadily from 16 percent in 1960, to 21 percent in 1970, and 26 percent by 1980; county costs fell from 4 percent in 1960 to 1 percent in 1980; capital outlays grew substantially from 4 percent in 1960 to a peak of 14 percent in 1971, and 13 percent in 1976 and then declined to 7 percent by 1980; and fixed costs including cost overruns grew slightly from 23 percent to 25 percent. In brief, the composition of expenditures shifted as the share of school department and fixed cost expenses rose over the twenty-year period 1960-1980. (See Tables 1,2,3 and Chart 2).

Departmental Operating Expenditures

Departmental operating expenditure trends reflect the decline of human services spending in 1969 with the federal and state takeover of welfare costs, previously borne by the City. (See Tables 4,5, and 6.) Departmental operating expenditures had risen during the 1960s, until the welfare takeover in 1969. Thereafter, a new rise began with the introduction of innovative services and expenditures peaked in 1979 and have declined since than as fiscal constraints dictated austerity measures. These impacts centered in "human services" spending which rose from $147 million in 1960, a 35 percent share, to $247 million in

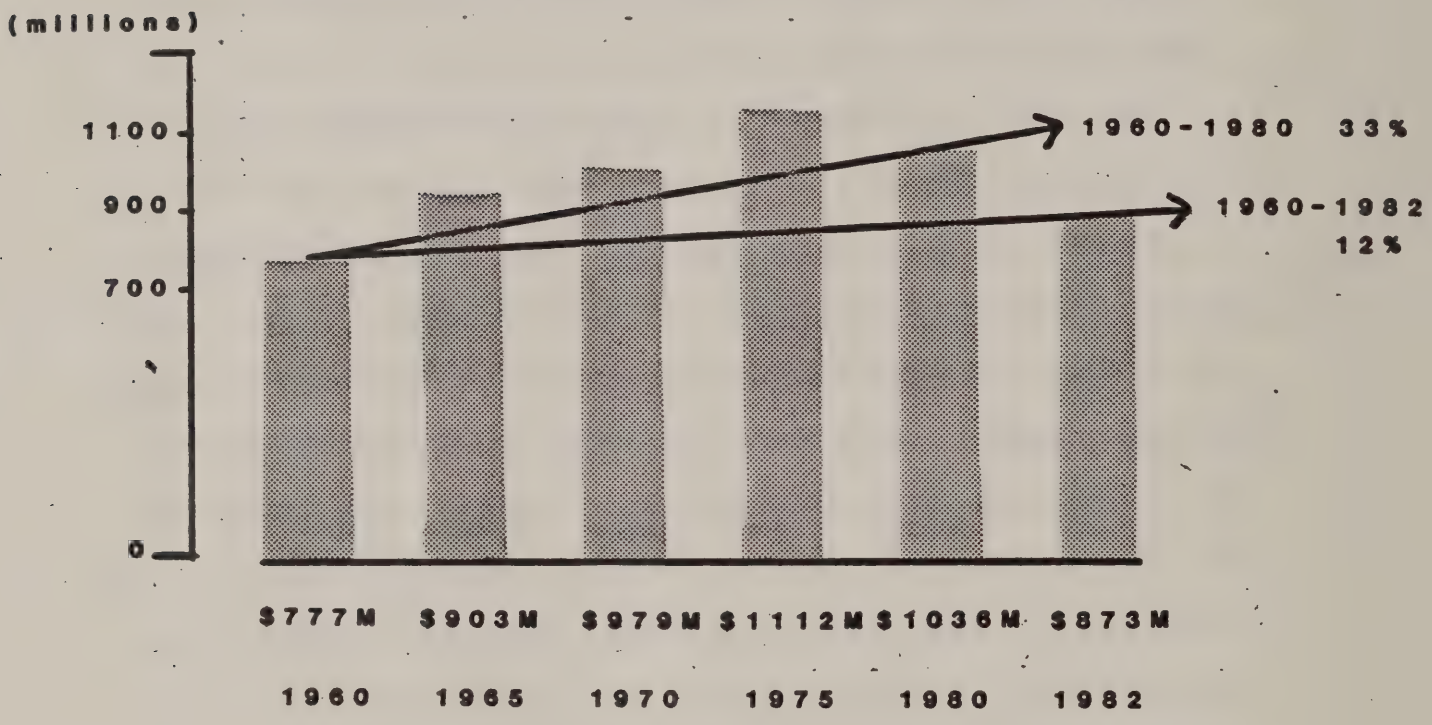
CHART I

COMPARISON OF BOSTON CITY GOVERNMENT EXPENDITURE GROWTH

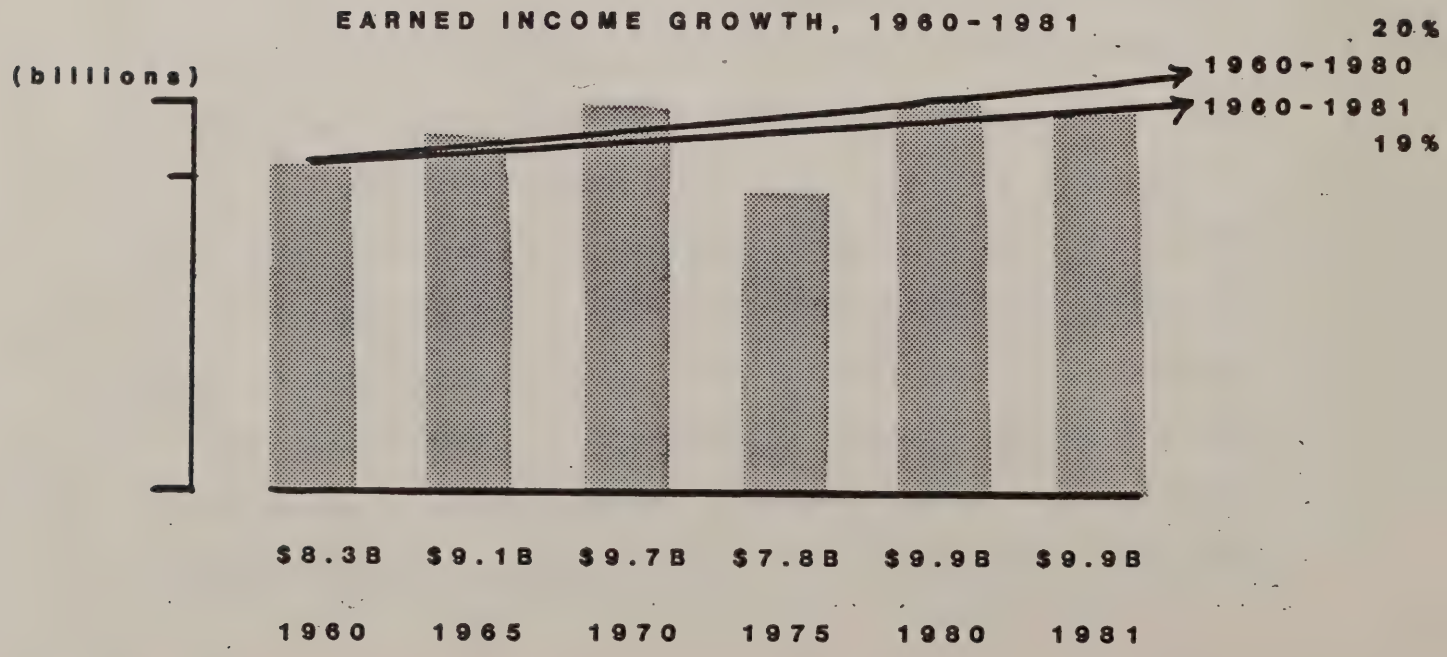
WITH EARNED INCOME (ECONOMIC) GROWTH, 1960-1982

(MEASURED IN DOLLARS OF CONSTANT VALUE)

CITY OF BOSTON EXPENDITURES, 1960-1982



EARNED INCOME GROWTH, 1960-1981



Note: M-millions, B-billions

TABLE 1

SUMMARY EXPENDITURE SERIES
CITY OF BOSTON EXPENDITURES BY MAJOR CATEGORY, 1960 - 1982
(IN MILLIONS OF CURRENT YEAR DOLLARS)

YEAR	TOTAL	DEPART-MENTAL	SCHOOL	COUNTY	CAPITAL OUTLAYS	FIXED COSTS	COST OVERRUNS X
1960	228	124	36	8	8	52	0
1961	237	129	38	8	6	56	0
1962	247	133	40	9	10	55	0
1963	264	145	43	9	15	52	0
1964	283	156	47	10	14	56	0
1965	304	168	50	10	14	62	0
1966	337	185	58	11	20	63	0
1967	381	212	65	12	23	69	0
1968	409	212	74	14	30	79	0
1969	373	159	82	15	32	85	0
1970	451	197	93	17	58	86	0
1971	541	215	108	18	77	123	0
1972	576	236	121	21	73	125	0
1974*	849	373	206	34	71	165	0
1975	708	294	161	25	90	138	0
1976	841	342	197	28	108	166	0
1977	848	349	202	30	59	187	21
1978	881	394	212	32	51	177	15
1979	923	424	227	36	46	177	13
1980@	950	391	251	12	62	200	34
1981@	974	383	271	12	25	210	72
1982@	939	354	228	13	8	225	111

*NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

X NOTE: COST OVERRUNS INCLUDE EXPENDITURES OVER AND ABOVE THOSE ALLOCATED WITHIN THE BUDGET SUCH AS PRIOR YEAR COST DEFICITS, SCHOOL COST OVERRUNS AND TAX ABATEMENT PAYMENTS. AVAILABLE ONLY FOR YEARS 1977 THROUGH 1982.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, PRELIMINARY FISCAL WORKSHEETS," 1980-1982.

TABLE 2

SUMMARY EXPENDITURE SERIES
CITY OF BOSTON EXPENDITURES BY MAJOR CATEGORY, 1960 - 1982
(IN MILLIONS OF CONSTANT FY1981 DOLLARS)

YEAR	TOTAL	DEPART-MENTAL	SCHOOL	COUNTY	CAPITAL OUTLAYS	FIXED COSTS	COST OVERRUNS X
1960	777	423	123	27	27	177	0
1961	787	428	126	27	20	186	0
1962	793	427	128	29	32	177	0
1963	826	454	135	28	47	163	0
1964	863	476	143	31	43	171	0
1965	903	499	149	30	42	184	0
1966	950	522	164	31	56	178	0
1967	1013	564	173	32	61	184	0
1968	1035	536	187	35	76	200	0
1969	877	374	193	35	75	200	0
1970	979	427	202	37	126	187	0
1971	1098	436	219	37	156	250	0
1972	1112	455	234	41	141	241	0
1974*	1486	653	361	60	124	289	0
1975	1112	462	253	39	141	217	0
1976	1219	496	286	41	157	241	0
1977	1153	475	275	41	80	254	29
1978	1119	500	269	41	65	225	19
1979	1089	500	268	42	54	209	15
1980@	1036	426	274	13	68	218	37
1981@	974	383	271	12	25	210	72
1982@	873	329	212	12	7	209	103

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

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SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, COMBINED FINANCIAL STATEMENTS," 1980-1982.

ROWS MAY NOT EXACTLY EQUAL TOTAL DUE TO ROUNDING

TABLE 3

SUMMARY EXPENDITURE SERIES
COMPOSITION OF CITY EXPENDITURES BY MAJOR CATEGORY, 1960 - 1982
(IN PERCENT)

YEAR	TOTAL	DEPART-MENTAL	SCHOOL	COUNTY	CAPITAL OUTLAYS	FIXED COSTS	COST OVERRUNS X
1960	100	54	16	4	4	23	0
1961	100	54	16	3	3	24	0
1962	100	54	16	4	4	22	0
1963	100	55	16	3	6	20	0
1964	100	55	17	4	5	20	0
1965	100	55	16	3	5	20	0
1966	100	55	17	3	6	19	0
1967	100	56	17	3	6	18	0
1968	100	52	18	3	7	19	0
1969	100	43	22	4	9	23	0
1970	100	44	21	4	13	19	0
1971	100	40	20	3	14	23	0
1972	100	41	21	4	13	22	0
1974*	100	44	24	4	8	19	0
1975	100	42	23	4	13	19	0
1976	100	41	23	3	13	20	0
1977	100	41	24	4	7	22	2
1978	100	45	24	4	6	20	2
1979	100	46	25	4	5	19	1
1980@	100	41	26	1	7	21	4
1981@	100	39	28	1	3	22	7
1982@	100	38	24	1	1	24	12

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

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SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, COMBINED FINANCIAL STATEMENTS," 1980-1982.

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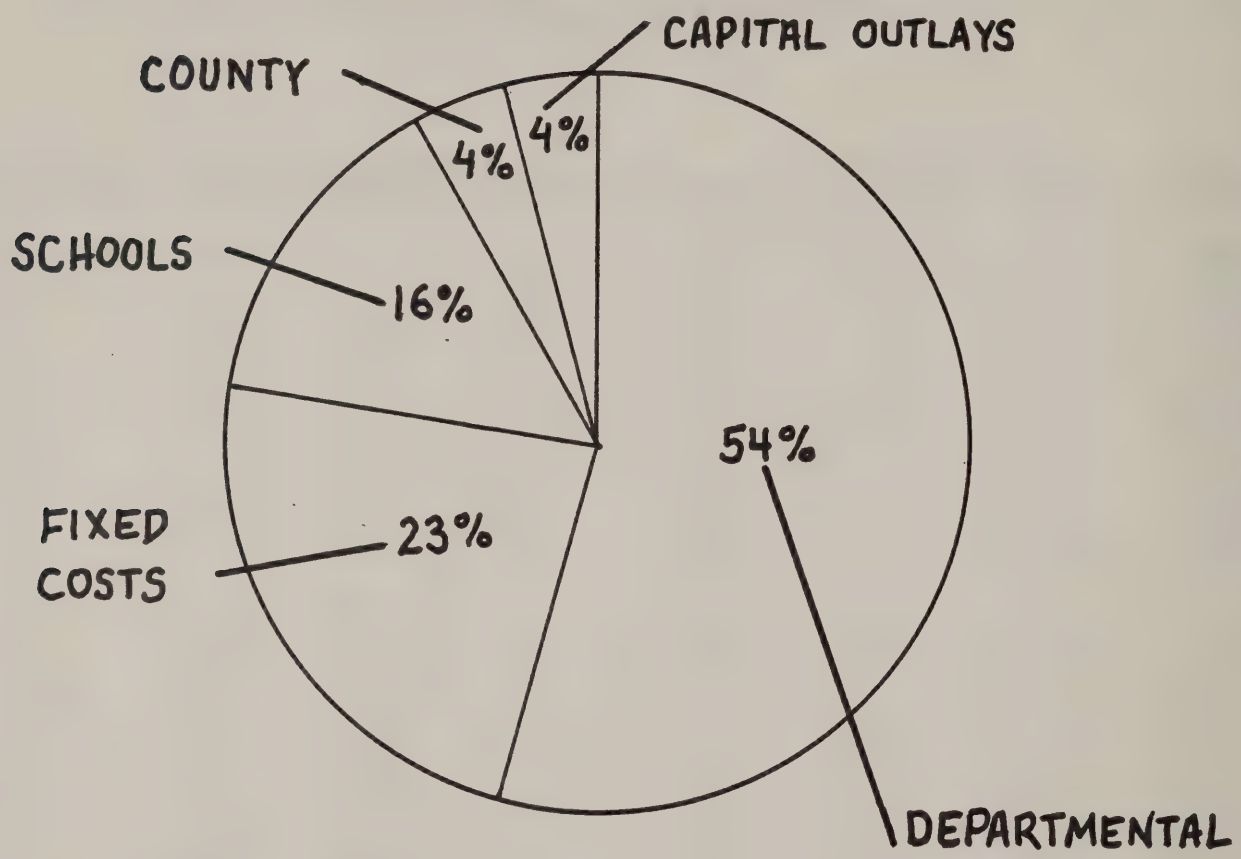
COMPOSITION AND CHANGE OF BOSTON EXPENDITURES, 1960 - 1980

1960



1980

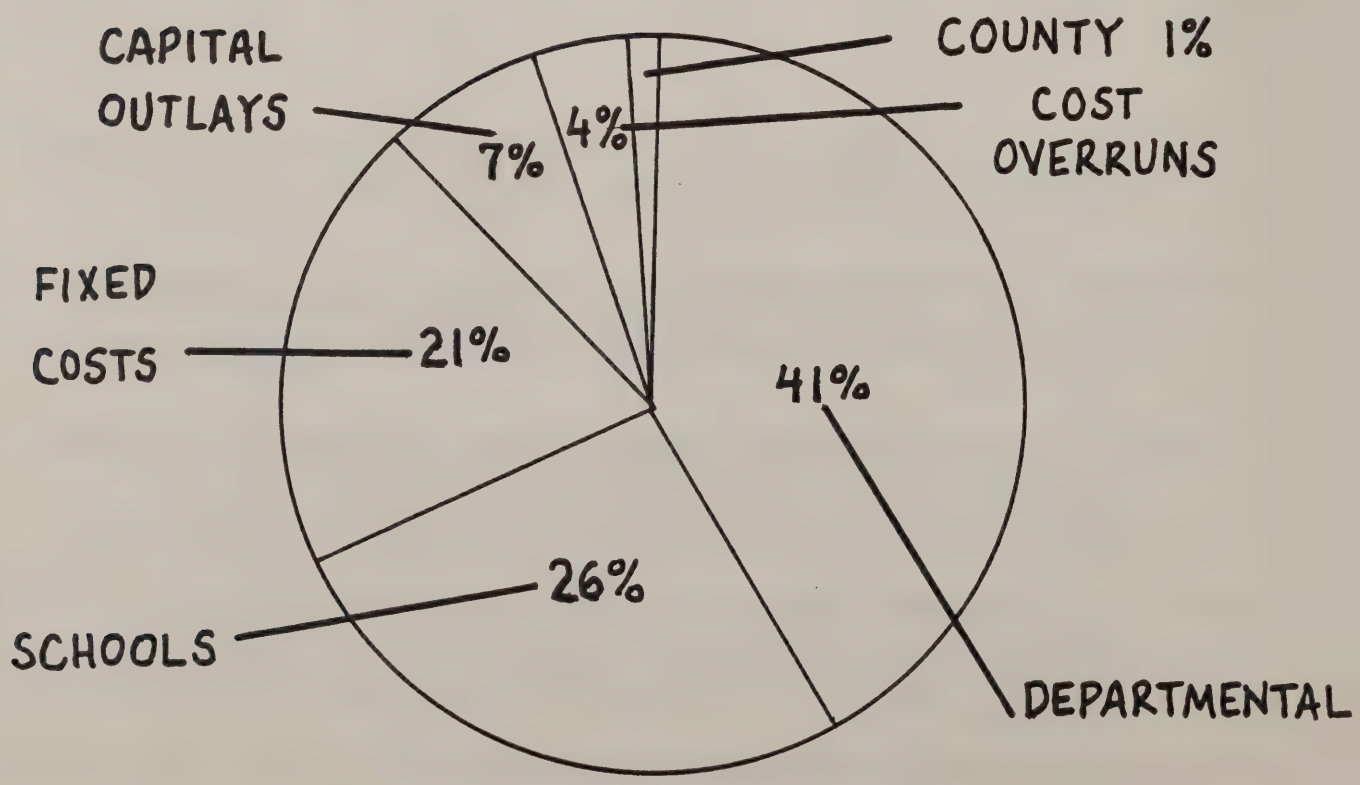


TABLE 4

DEPARTMENTAL OPERATING EXPENDITURES
CITY OF BOSTON DEPARTMENTAL EXPENDITURES BY FUNCTION, 1960 - 1982
(IN MILLIONS OF CURRENT YEAR DOLLARS)

YEAR	TOTAL	PUBLIC SAFETY	COMMUNITY SERVICES	HUMAN SERVICES	HEALTH AND HOSPITALS	OTHER DEPART-MENTAL
1960	124	33	17	43	21	10
1961	129	33	18	46	21	11
1962	133	32	19	50	21	11
1963	145	34	23	53	22	13
1964	156	35	21	61	25	14
1965	168	39	22	66	26	15
1966	185	40	24	78	28	15
1967	212	43	27	93	33	16
1968	212	48	31	74	37	22
1969	159	54	36	7	39	23
1970	197	68	40	14	48	26
1971	215	73	44	18	53	26
1972	236	86	48	21	60	21
1974*	373	130	76	30	83	54
1975	294	106	54	26	66	42
1976	342	119	71	32	71	49
1977	349	112	78	36	68	55
1978	394	129	74	47	75	69
1979	424	132	81	68	75	68
1980@	391	133	72	53	90	43
1981@	383	128	72	40	96	47
1982@	354	114	73	20	103	44

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, PRELIMINARY FISCAL WORKSHEETS," 1980-1982.

TABLE 5

DEPARTMENTAL OPERATING EXPENDITURES
CITY OF BOSTON DEPARTMENTAL EXPENDITURES BY FUNCTION, 1960 - 1982
(IN MILLIONS OF CONSTANT FY1981 DOLLARS)

YEAR	TOTAL	PUBLIC SAFETY	COMMUNITY SERVICES	HUMAN SERVICES	HEALTH AND HOSPITALS	OTHER DEPART MENTAL
1960	423	113	58	147	72	34
1961	428	110	60	153	70	37
1962	427	103	61	161	67	35
1963	454	106	72	166	69	41
1964	476	107	64	186	76	43
1965	499	116	65	196	77	45
1966	522	113	68	220	79	42
1967	564	114	72	247	88	43
1968	536	121	78	187	94	56
1969	374	127	85	16	92	54
1970	427	148	87	30	104	56
1971	436	148	89	37	108	53
1972	455	166	93	41	116	41
1974*	653	228	133	53	145	95
1975	462	166	85	41	104	66
1976	496	173	103	46	103	71
1977	475	152	106	49	92	75
1978	500	164	94	60	95	88
1979	500	156	96	80	89	80
1980@	426	145	78	58	98	47
1981@	383	128	72	40	96	47
1982@	329	106	68	19	96	41

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, PRELIMINARY FISCAL WORKSHEETS," 1980-1982.

ROWS MAY NOT EXACTLY EQUAL TOTAL DUE TO ROUNDING

TABLE 6

DEPARTMENTAL OPERATING EXPENDITURES
CITY OF BOSTON DEPARTMENTAL EXPENDITURES BY FUNCTION, 1960 - 1982
(IN PERCENT)

YEAR	TOTAL	PUBLIC SAFETY	COMMUNITY SERVICES	HUMAN SERVICES	HEALTH AND HOSPITALS	OTHER DEPART-MENTAL
1960	100	27	14	35	17	8
1961	100	26	14	36	16	9
1962	100	24	14	38	16	8
1963	100	23	16	37	15	9
1964	100	22	13	39	16	9
1965	100	23	13	39	15	9
1966	100	22	13	42	15	8
1967	100	20	13	44	16	8
1968	100	23	15	35	17	10
1969	100	34	23	4	25	14
1970	100	35	20	7	24	13
1971	100	34	20	8	25	12
1972	100	36	20	9	25	9
1974*	100	35	20	8	22	14
1975	100	36	18	9	22	14
1976	100	35	21	9	21	14
1977	100	32	22	10	19	16
1978	100	33	19	12	19	18
1979	100	31	19	16	18	16
1980@	100	34	18	14	23	11
1981@	100	33	19	10	25	12
1982@	100	32	21	6	29	12

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

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ROWS MAY NOT EQUAL 100 PERCENT DUE TO ROUNDING

1967, a 44 percent share, falling to $16 million in 1969, a 4 percent share, and then increasing to $58 million in 1980, a 14 percent share, before declining again.

Public safety expenditures rose to be the largest component of departmental costs by 1980 going from 27 percent in 1960, to 34 percent. Community services, including housing, parks, and public works experienced slight but steady gains in the 1960s and 1970s, increasing their share from 14 percent to 18 percent of departmental spending. Two other categories of departmental spending, health and hospitals and "other departmental" grew from 25 percent to 34 percent between 1960 and 1980. Health and hospitals has become a much larger share of departmental spending as Boston's City Hospital continued to grow over this period. Other departmental outlays, which include administration and finance, libraries, youth activities, the Mayor's department, elections, planning, and miscellaneous categories grew from 8 percent in 1960 to 18 percent in 1978 and falling back 11 percent in 1980. These basic services represent the core of City services.

School and County Expenditures and Capital Outlays

Other expenditure categories (Tables 7,8, and 9) grew significantly, doubling from $177 million to $354 million over the 1960-1980 time period. Most of this gain ($141 million) was taken up by school spending, where the Mayor and City Council have only limited budget control. County expenditures also rose during the 1960s and 1970s peaking at $42 million in 1979, but the state's partial takeover of many county court costs reduced these outlays to only $13 million by 1980. Capital outlays spending peaked during the mid-1970s at $157

TABLE 7

OTHER EXPENDITURE CATEGORIES
CITY OF BOSTON EXPENDITURES FOR OTHER FUNCTIONS, 1960 - 1982
(IN MILLIONS OF CURRENT YEAR DOLLARS)

YEAR	TOTAL	SCHOOL	COUNTY	CAPITAL OUTLAYS
1960	52	36	8	8
1961	52	38	8	6
1962	59	40	9	10
1963	67	43	9	15
1964	71	47	10	14
1965	74	50	10	14
1966	89	58	11	20
1967	100	65	12	23
1968	118	74	14	30
1969	119	82	15	32
1970	168	93	17	58
1971	203	108	18	77
1972	215	121	21	73
1974*	311	206	34	71
1975	276	161	25	90
1976	333	197	28	108
1977	291	202	30	59
1978	295	212	32	51
1979	309	227	36	46
1980@	325	251	12	62
1981@	308	271	12	25
1982@	249	228	13	8

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, PRELIMINARY FISCAL WORKSHEETS," 1980-1982.

TABLE 8

OTHER EXPENDITURE CATEGORIES
CITY OF BOSTON EXPENDITURES FOR OTHER FUNCTIONS, 1960 - 1982
(IN MILLIONS OF CONSTANT FY1981 DOLLARS)

YEAR	TOTAL	SCHOOL	COUNTY	CAPITAL OUTLAYS
1960	177	123	27	27
1961	173	126	27	20
1962	189	128	29	32
1963	210	135	28	47
1964	217	143	31	43
1965	220	149	30	42
1966	251	164	31	56
1967	266	173	32	61
1968	299	187	35	76
1969	280	193	35	75
1970	365	202	37	126
1971	412	219	37	156
1972	415	234	41	141
1974*	544	361	60	124
1975	433	253	39	141
1976	483	286	41	157
1977	396	275	41	80
1978	375	269	41	65
1979	365	268	42	54
1980@	354	274	13	68
1981@	308	271	12	25
1982@	232	212	12	7

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, PRELIMINARY FISCAL WORKSHEETS," 1980-1982.

ROWS MAY NOT EXACTLY EQUAL TOTAL DUE TO ROUNDING

TABLE 9

OTHER EXPENDITURE CATEGORIES
COMPOSITION OF CITY EXPENDITURES FOR OTHER FUNCTIONS, 1960 - 1982
(IN PERCENT)

YEAR	TOTAL	SCHOOL	COUNTY	CAPITAL OUTLAYS
1960	100	69	15	15
1961	100	73	15	12
1962	100	68	15	17
1963	100	64	13	22
1964	100	66	14	20
1965	100	68	14	19
1966	100	65	12	22
1967	100	65	12	23
1968	100	63	12	25
1969	100	69	13	27
1970	100	55	10	35
1971	100	53	9	38
1972	100	56	10	34
1974*	100	66	11	23
1975	100	58	9	33
1976	100	59	8	32
1977	100	69	10	20
1978	100	72	11	17
1979	100	73	12	15
1980@	100	77	4	19
1981@	100	88	4	8
1982@	100	92	5	3

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, PRELIMINARY FISCAL WORKSHEETS," 1980-1982.

ROWS MAY NOT EQUAL 100 PERCENT DUE TO ROUNDING

million (in constant dollars) as the City undertook an ambitious program of capital improvements from 1967-1976. As fiscal restraint necessitated, capital spending decreased steadily during the late 1970s; the City's bond rating was suspended in 1980, as a result of Proposition 2½. Thus, the expansion of Boston's "Other Expenditure" category, during 1960-1980, reflected the growth in school spending.

Fixed Cost Expenditures

Boston's fixed (obligatory) costs include debt service, state assessments, pensions, and trust funds and have remained a relatively steady 20-23 percent of total City spending. (See Tables 10,11, and 12.) These expenditure items are called fixed because they represent unavoidable costs items which the City must pay. Within this overall steady state, pensions more than doubled, rising from $43 million to $91 million in twenty years, increasing their share of fixed costs from 25 percent in 1960 to 42 percent in 1980. Debt service is the second largest component of fixed costs with a 37 percent share in 1980, and reflects repayment of principal and interest on long-term loans to finance capital outlays in prior years.

In summary, the largest 1960-80 gains in real (constant dollar) City expenditures were in School, Public Safety, Housing, Pensions, and Debt Service spending. The changing patterns of expenditures show that the 1960s were a time of rising emphasis on departmental services, while the 1970s represented a period of focusing on capital improvements, schools, and rising fixed costs. City expenditures of the 1960s and early 1970s paralleled overall economic growth. In the late seventies fiscal restraints on public services took hold amidst the steadily growing fixed cost requirements.

TABLE 10

FIXED COST EXPENDITURES
CITY OF BOSTON EXPENDITURES FOR FIXED COSTS BY CATEGORY, 1960 - 1982
(IN MILLIONS OF CURRENT YEAR DOLLARS)

YEAR	TOTAL	DEBT SERVICE	ASSESSMENTS STATE	MDC	MBTA	PENSIONS	TRUST FUNDS
1960	51.0	17.5	.1	5.9	12.8	12.7	2.0
1961	56.2	17.0	.0	6.6	14.5	16.7	1.4
1962	54.1	15.5	.0	6.9	13.7	16.4	1.6
1963	52.2	14.5	.1	8.8	11.3	16.0	1.5
1964	54.9	14.8	.2	9.4	12.3	16.7	1.5
1965	63.1	25.9	.1	9.3	8.0	18.4	1.4
1966	62.9	16.4	.1	9.4	11.6	23.8	1.6
1967	68.2	19.6	.4	10.0	13.5	22.7	2.0
1968	78.7	27.5	.4	10.4	15.8	23.4	1.2
1969	85.5	29.6	.5	11.1	16.8	26.4	1.1
1970	85.7	29.7	.6	14.1	15.5	24.6	1.2
1971	123.0	39.7	.5	14.8	25.1	41.4	1.5
1972	126.5	42.5	.6	16.2	29.7	36.2	1.3
1974*	164.5	59.8	.6	17.1	34.5	50.5	2.0
1975	137.8	52.0	.6	19.4	25.1	38.9	1.8
1976	165.9	59.7	.5	22.0	31.5	50.2	2.0
1977	186.1	70.8	.7	21.0	30.8	60.2	2.6
1978	177.3	68.3	2.0	4.0	32.5	68.4	2.0
1979	176.7	73.0	1.6	4.4	35.6	61.4	.7
1980	199.5	74.5	1.6	4.5	33.9	83.7	1.3
1981@	209.5	76.8	1.8	4.3	39.0	87.6	.0
1982@	224.9	74.4	1.9	4.2	42.5	92.9	9.0

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, PRELIMINARY FISCAL WORKSHEETS," 1980-1982.

TABLE 11

FIXED COST EXPENDITURES
CITY OF BOSTON EXPENDITURES FOR FIXED COSTS BY CATEGORY, 1960 - 1982
(IN MILLIONS OF CONSTANT FY1981 DOLLARS)

YEAR	TOTAL	DEBT SERVICE	ASSESSMENTS STATE	MDC	MBTA	PENSIONS	TRUST FUNDS
1960	173.9	59.7	.3	20.1	43.6	43.3	6.8
1961	186.6	56.4	.0	21.9	48.1	55.4	4.6
1962	173.7	49.8	.0	22.1	44.0	52.6	5.1
1963	163.4	45.4	.3	27.5	35.4	50.1	4.7
1964	167.4	45.1	.6	28.7	37.5	50.9	4.6
1965	187.4	76.9	.3	27.6	23.8	54.6	4.2
1966	177.4	46.2	.3	26.5	32.7	67.1	4.5
1967	181.4	52.1	1.1	26.6	35.9	60.4	5.3
1968	199.1	69.6	1.0	26.3	40.0	59.2	3.0
1969	200.9	69.6	1.2	26.1	39.5	62.0	2.6
1970	186.0	64.4	1.3	30.6	33.6	53.4	2.6
1971	249.7	80.6	1.0	30.0	51.0	84.0	3.0
1972	244.1	82.0	1.2	31.3	57.3	69.9	2.5
1974*	287.9	104.6	1.0	29.9	60.4	88.4	3.5
1975	216.3	81.6	.9	30.5	39.4	61.1	2.8
1976	240.6	86.6	.7	31.9	45.7	72.8	2.9
1977	253.1	96.3	1.0	28.6	41.9	81.9	3.5
1978	225.2	86.7	2.5	5.1	41.3	86.9	2.5
1979	208.5	86.1	1.9	5.2	42.0	72.5	.8
1980	217.5	81.2	1.7	4.9	37.0	91.2	1.4
1981@	209.5	76.8	1.8	4.3	39.0	87.6	.0
1982@	209.2	69.2	1.8	3.9	39.5	86.4	8.4

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCALYEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

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ROWS MAY NOT EXACTLY EQUAL TOTAL DUE TO ROUNDING

TABLE 12

FIXED COST EXPENDITURES
COMPOSITION OF CITY OF BOSTON FIXED COST EXPENDITURES, 1960 - 1982
(IN PERCENT)

YEAR	TOTAL	DEBT SERVICE	ASSESSMENTS STATE	MDC	MBTA	PENSIONS	TRUST FUNDS
1960	100	34	.2	12	25	25	3.9
1961	100	30	.0	12	26	30	2.5
1962	100	29	.0	13	25	30	3.0
1963	100	28	.2	17	22	31	2.9
1964	100	27	.4	17	22	30	2.7
1965	100	41	.2	15	13	29	2.2
1966	100	26	.2	15	18	38	2.5
1967	100	29	.6	15	20	33	2.9
1968	100	35	.5	13	20	30	1.5
1969	100	35	.6	13	20	31	1.3
1970	100	35	.7	16	18	29	1.4
1971	100	32	.4	12	20	34	1.2
1972	100	34	.5	13	23	29	1.0
1974*	100	36	.4	10	21	31	1.2
1975	100	38	.4	14	18	28	1.3
1976	100	36	.3	13	19	30	1.2
1977	100	38	.4	11	17	32	1.4
1978	100	39	1.1	2	18	39	1.1
1979	100	41	.9	2	20	35	.4
1980	100	37	.8	2	17	42	.7
1981@	100	37	.9	2	19	42	.0
1982@	100	33	.8	2	19	41	4.0

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCALYEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

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III. REVENUE ANALYSIS, 1960-1980

The decline in local tax revenue and the rise in state aid were the dominant trends in the 1960-1980 time span; since 1980, falling federal aid has added to the difficult times for Boston's revenue. The major change which occurred over this period is the gradually declining importance of funding from local tax sources and the increasing importance of state aid (and federal aid until 1980). As the City had less revenue to work with, City expenditures were curtailed.

The changing composition of City revenues by major source is evident in summary revenue tables (Tables 13, 14, and 15). Local tax revenue dropped from a 65 percent share of total revenues to 45 percent by 1980. (See Chart 3.) A major finding in this analysis is that property tax collections fell from 61 percent of all revenues in 1960 to 41 percent in 1980. Thus, the weight of property taxes on total revenues is much less than it was in 1960. The absolute size of property tax collections in 1980 was almost the same magnitude of those in the early sixties, dropping from a larger level in the 1970s, measured in dollars of constant value. The offsetting trend was the growth of federal and state transfers from 23 to 35 percent of total City revenue; (the decline in federal aid, in real terms, began in 1980.) Similarly, non-tax revenues and long-term loans rose from 10 and 3 percent, respectively, in 1960, to 14 and 6 percent by 1980.

Local Tax Revenue

Local tax revenue provided the City with the greatest annual sum of revenues; (until FY1984 when the mandated reduction of the property tax levy and a compensating increase in state aid reached equivalent levels), (see Tables 16,17, and 18). Property tax collections summed to

TABLE 13

SUMMARY REVENUE SERIES
CITY OF BOSTON REVENUES BY MAJOR SOURCE, 1960 - 1982
(IN MILLIONS OF CURRENT YEAR DOLLARS)

YEAR	TOTAL	LOCAL TAX REVENUE	NON-TAX LOCAL REVENUE	LONG TERM LOANS	STATE AID	FEDERAL AID
1960	226	146	22	6	36	16
1961	236	149	24	4	40	19
1962	249	149	31	7	40	22
1963	251	143	32	9	43	24
1964	279	148	55	19	30	27
1965	298	170	61	12	25	30
1966	314	157	71	16	29	41
1967	383	179	68	32	58	46
1968	388	200	78	25	47	38
1969	385	226	68	39	44	8
1970	447	251	75	54	52	15
1971	501	279	82	77	40	23
1972	596	309	85	84	88	30
1974*	862	483	132	70	105	72
1975	658	333	98	40	98	89
1976	792	340	105	85	137	125
1977	880	415	124	75	133	133
1978	862	424	96	65	139	138
1979	931	429	102	55	197	148
1980@	967	439	134	55	182	157
1981@	985	512	120	0	186	167
1982@	929	462	132	0	219	116

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, PRELIMINARY FISCAL WORKSHEETS," 1980-1982.

TABLE 14

SUMMARY REVENUE SERIES
CITY OF BOSTON REVENUES BY MAJOR SOURCE, 1960 - 1982
(MILLIONS OF CONSTANT FY81 DOLLARS)

YEAR	TOTAL	LOCAL TAX REVENUE	NON-TAX LOCAL REVENUE	LONG TERM LOANS	STATE AID	FEDERAL AID
1960	771	498	75	20	123	55
1961	784	495	80	13	133	63
1962	799	478	100	22	128	71
1963	786	448	100	28	135	75
1964	851	451	168	58	92	82
1965	885	505	181	36	74	89
1966	885	443	200	45	82	116
1967	1019	476	181	85	154	122
1968	982	506	197	63	119	96
1969	905	531	160	92	103	19
1970	970	545	163	117	113	33
1971	1017	566	166	156	81	47
1972	1150	596	164	162	170	58
1974*	1509	845	231	123	184	126
1975	1033	523	154	63	154	140
1976	1148	493	152	123	199	181
1977	1197	564	169	102	181	181
1978	1095	538	122	83	177	175
1979	1099	506	120	65	232	175
1980@	1054	479	146	60	198	171
1981@	985	512	120	0	186	167
1982@	864	430	123	0	204	108

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

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ROWS MAY NOT EXACTLY EQUAL TOTAL DUE TO ROUNDING

TABLE 15

SUMMARY REVENUE SERIES
COMPOSITION OF CITY REVENUES BY MAJOR SOURCE, 1960 - 1982
(IN PERCENT)

YEAR	TOTAL	LOCAL TAX REVENUE	NON-TAX LOCAL REVENUE	LONG TERM LOANS	STATE AID	FEDERAL AID
1960	100	65	10	3	16	7
1961	100	63	10	2	17	8
1962	100	60	12	3	16	9
1963	100	57	13	4	17	10
1964	100	53	20	7	11	10
1965	100	57	20	4	8	10
1966	100	50	23	5	9	13
1967	100	47	18	8	15	12
1968	100	52	20	6	12	10
1969	100	59	18	10	11	2
1970	100	56	17	12	12	3
1971	100	56	16	15	8	5
1972	100	52	14	14	15	5
1974*	100	56	15	8	12	8
1975	100	51	15	6	15	14
1976	100	43	13	11	17	16
1977	100	47	14	9	15	15
1978	100	49	11	8	16	16
1979	100	46	11	6	21	16
1980@	100	45	14	6	19	16
1981@	100	52	12	0	19	17
1982@	100	50	14	0	24	12

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

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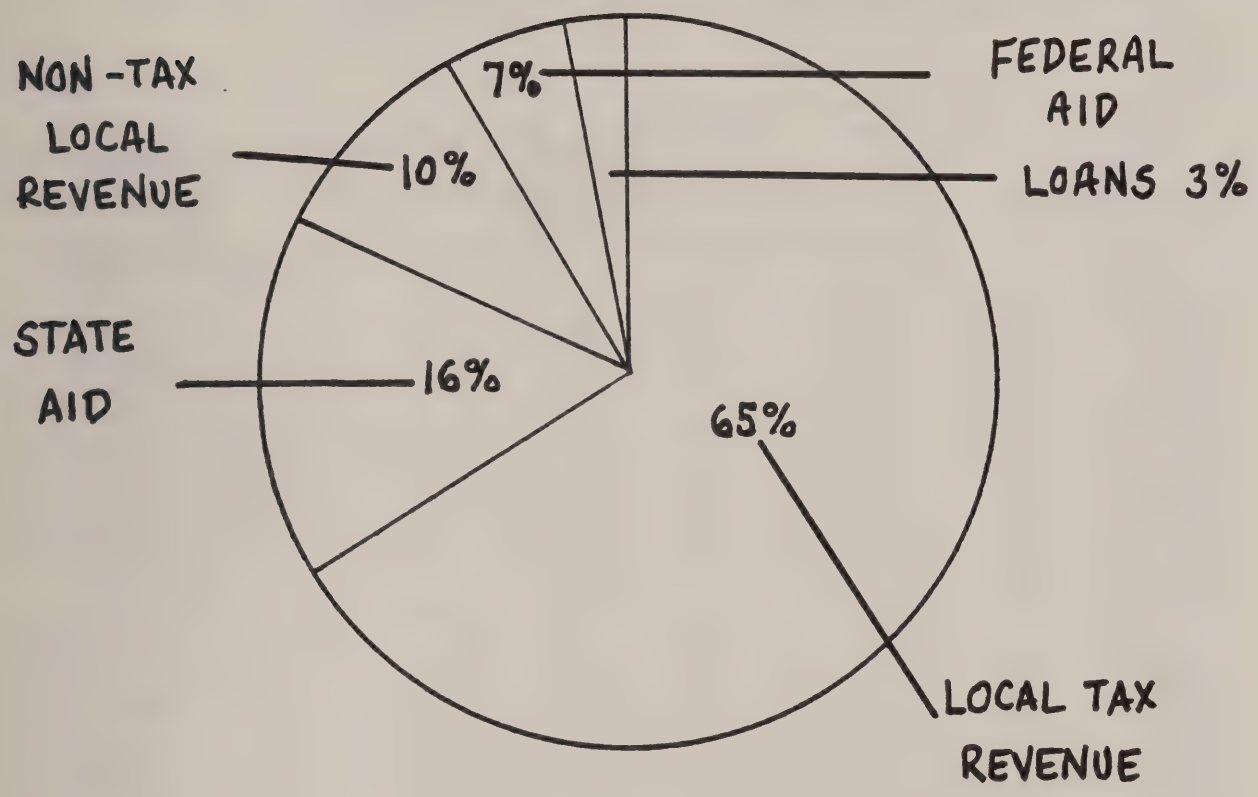
ROWS MAY NOT EQUAL 100 PERCENT DUE TO ROUNDING

COMPOSITION AND CHANGE OF BOSTON REVENUES, 1960 - 1980

1960



1980

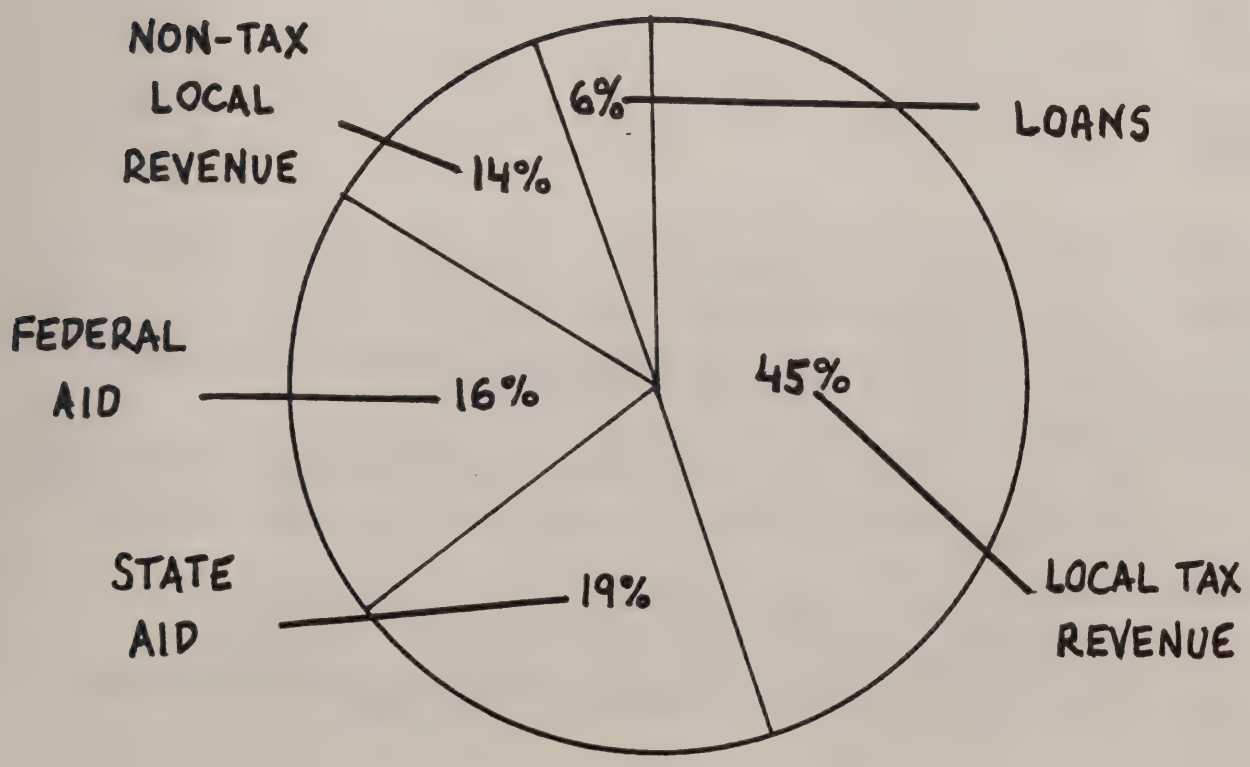


TABLE 16

LOCAL TAX REVENUE
CITY OF BOSTON LOCAL TAX REVENUE BY SOURCE, 1960-1982
(IN MILLIONS OF CURRENT YEAR DOLLARS)

YEAR	TOTAL	PROPERTY TAX COLLECTIONS	MOTOR VEHICLES EXCISE COLLECTIONS	PAYMENTS IN-LIEU-OF TAXES	TAX TITLES AND POSSESSIONS
1960	145.8	138.3	4.9	.9	1.7
1961	148.9	138.6	7.6	.8	1.9
1962	148.8	135.7	8.0	2.6	2.5
1963	143.2	129.8	8.0	3.0	2.4
1964	148.1	135.6	8.8	2.0	1.7
1965	169.9	156.0	8.3	2.3	3.3
1966	156.8	142.3	8.2	4.5	1.8
1967	179.0	163.6	9.3	4.6	1.5
1968	200.1	186.1	9.0	2.8	2.2
1969	225.6	209.2	9.0	4.9	2.5
1970	251.3	234.0	9.9	5.7	1.7
1971	279.2	262.3	9.3	5.1	2.5
1972	309.3	293.4	7.4	5.6	2.9
1974*	483.4	452.2	14.5	12.7	4.0
1975	333.1	306.2	12.1	10.3	4.5
1976	339.9	312.4	11.5	10.8	5.2
1977	415.4	389.4	12.5	11.6	1.9
1978	424.0	389.1	11.2	15.9	7.8
1979	429.2	389.4	12.2	20.1	7.5
1980@	438.6	397.2	15.6	18.8	7.0
1981@	512.4	472.1	13.2	20.5	6.6
1982@	462.3	410.1	5.7	21.7	24.8

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCALYEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, PRELIMINARY FISCAL WORKSHEETS," 1980-1982.

TABLE 17

LOCAL TAX REVENUE
CITY OF BOSTON LOCAL TAX REVENUE BY SOURCE, 1960-1982
(MILLIONS OF CONSTANT FY81 DOLLARS)

YEAR	TOTAL	PROPERTY TAX COLLECTIONS	MOTOR VEHICLES EXCISE COLLECTIONS	PAYMENTS IN-LIEU-OF TAXES	TAX TITLES AND POSSESSION
1960	497.2	471.6	16.7	3.1	5.8
1961	494.3	460.2	25.2	2.7	6.3
1962	477.6	435.6	25.7	8.3	8.0
1963	448.2	406.3	25.0	9.4	7.5
1964	451.7	413.6	26.8	6.1	5.2
1965	504.6	463.3	24.7	6.8	9.8
1966	442.2	401.3	23.1	12.7	5.1
1967	476.1	435.2	24.7	12.2	4.0
1968	506.3	470.8	22.8	7.1	5.6
1969	530.2	491.6	21.1	11.5	5.9
1970	545.3	507.8	21.5	12.4	3.7
1971	566.8	532.5	18.9	10.4	5.1
1972	596.9	566.3	14.3	10.8	5.6
1974*	845.9	791.3	25.4	22.2	7.0
1975	523.0	480.7	19.0	16.2	7.1
1976	492.9	453.0	16.7	15.7	7.5
1977	564.9	529.6	17.0	15.8	2.6
1978	538.5	494.2	14.2	20.2	9.9
1979	506.5	459.5	14.4	23.7	8.9
1980@	478.1	432.9	17.0	20.5	7.6
1981@	512.4	472.1	13.2	20.5	6.6
1982@	429.9	381.4	5.3	20.2	23.1

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, PRELIMINARY FISCAL WORKSHEETS," 1980-1982.

ROWS MAY NOT EXACTLY EQUAL TOTAL DUE TO ROUNDING

TABLE 18

LOCAL TAX REVENUE
COMPOSITION OF CITY OF BOSTON LOCAL TAX REVENUE, 1960-1982
(IN PERCENT)

YEAR	TOTAL	PROPERTY TAX COLLECTIONS	MOTOR VEHICLES EXCISE COLLECTIONS	PAYMENTS IN-LIEU-OF TAXES	TAX TITLES AND POSSESSIONS
1960	100	95	3	1	1
1961	100	93	5	1	1
1962	100	91	5	2	2
1963	100	91	6	2	2
1964	100	92	6	1	1
1965	100	92	5	1	2
1966	100	91	5	3	1
1967	100	91	5	3	1
1968	100	93	4	1	1
1969	100	93	4	2	1
1970	100	93	4	2	1
1971	100	94	3	2	1
1972	100	95	2	2	1
1974*	100	94	3	3	1
1975	100	92	4	3	1
1976	100	92	3	3	2
1977	100	94	3	3	0
1978	100	92	3	4	2
1979	100	91	3	5	2
1980@	100	91	4	4	2
1981@	100	92	3	4	1
1982@	100	89	1	5	5

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, PRELIMINARY FISCAL WORKSHEETS," 1980-1982.

ROWS MAY NOT EQUAL 100 PERCENT DUE TO ROUNDING

a total of $472 million in 1960, $508 million in 1970, and $433 million by 1980. Motor vehicle excise taxes have dwindled over the twenty-year span from a high of $26.8 million in 1964 to a low of $14.2 million in 1978. Payments in-lieu-of taxes grew from a $3.1 million revenue source in 1960 to $20.5 million in 1980. Tax titles and possessions never amounted to more than $10 million over the same period. This total sum of local tax revenues has fallen to about the same level as in 1960, measured in dollars of constant value.

Non-Tax Local Revenue

Non-tax local revenues rose as a share of City revenues, after almost doubling from $75 million in 1960 to $146 million in 1980 (Tables 19,20 and 21). Whereas departmental revenue has dropped in importance, health and hospital revenues grew substantially from $20 million in 1960 to $105 million in 1980, in dollars of constant value. Trust funds have yielded between $2 million and $7 million.

State Aid

State aid to Boston, in the form of categorical grants and revenue assistance, has grown substantially marking a six-fold rise over the years (Tables 22,23, and 24). Whereas education grants totalled 20-40 percent of all state-provided revenue in the 1960s, they became the dominant share of state aid in the 1970s. Grants for urban renewal, highway, and court costs have largely been minimal. "Other" state aid, largely fiscal assistance for the City, fell from 91 percent of state aid revenue in 1960 to 23 percent in 1980. Over the years most growth in state revenues has been for education purposes while aid for other purposes including local fiscal assistance has remained small or declined between 1960 and 1980.

TABLE 19

NON-TAX LOCAL REVENUE
CITY OF BOSTON NON-TAX LOCAL REVENUE BY SOURCE 1960-1982
(IN MILLIONS OF CURRENT YEAR DOLLARS)

YEAR	TOTAL	DEPARTMENTAL REVENUE	HEALTH AND HOSPITALS	TRUST FUNDS
1960	22	14	6	2
1961	24	17	6	1
1962	31	22	7	2
1963	32	23	7	2
1964	55	44	9	2
1965	61	48	11	2
1966	71	58	11	2
1967	68	51	15	2
1968	78	55	22	1
1969	68	40	26	2
1970	75	37	37	1
1971	82	38	42	2
1972	85	45	38	2
1974*	132	60	69	3
1975	98	41	53	4
1976	105	42	59	4
1977	124	60	59	5
1978	96	35	56	5
1979	102	43	55	4
1980@	134	35	96	3
1981@	120	36	81	3
1982@	132	41	88	3

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, PRELIMINARY FISCAL WORKSHEETS," 1980-1982.

TABLE 20

NON-TAX LOCAL REVENUE
CITY OF BOSTON NON-TAX LOCAL REVENUE BY SOURCE 1960-1982
(MILLIONS OF CONSTANT FY81 DOLLARS)

YEAR	TOTAL	DEPARTMENTAL REVENUE	HEALTH AND HOSPITALS	TRUST FUNDS
1960	75	48	20	7
1961	80	56	20	3
1962	100	71	22	6
1963	100	72	22	6
1964	168	134	27	6
1965	181	143	33	6
1966	200	164	31	6
1967	181	136	40	5
1968	197	139	56	3
1969	160	94	61	5
1970	163	80	80	2
1971	166	77	85	4
1972	164	87	73	4
1974*	231	105	121	5
1975	154	64	83	6
1976	152	61	86	6
1977	169	82	80	7
1978	122	44	71	6
1979	120	51	65	5
1980@	146	38	105	3
1981@	120	36	81	3
1982@	123	38	82	3

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, PRELIMINARY FISCAL WORKSHEETS," 1980-1982.

ROWS MAY NOT EXACTLY EQUAL TOTAL DUE TO ROUNDING

TABLE 21

NON-TAX LOCAL REVENUE
COMPOSITION OF BOSTON'S NON-TAX LOCAL REVENUE, 1960-1982
(IN PERCENT)

YEAR	TOTAL	DEPARTMENTAL REVENUE	HEALTH AND HOSPITALS	TRUST FUNDS
1960	100	64	27	9
1961	100	71	25	4
1962	100	71	23	6
1963	100	72	22	6
1964	100	80	16	4
1965	100	79	18	3
1966	100	82	15	3
1967	100	75	22	3
1968	100	71	28	1
1969	100	59	38	3
1970	100	49	49	1
1971	100	46	51	2
1972	100	53	45	2
1974*	100	45	52	2
1975	100	42	54	4
1976	100	40	56	4
1977	100	48	48	4
1978	100	36	58	5
1979	100	42	54	4
1980@	100	26	72	2
1981@	100	30	67	2
1982@	100	31	67	2

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. AUDITORS REPORTS, COOPERS AND LYBRAND, "CITY OF BOSTON, PRELIMINARY FISCAL WORKSHEETS," 1980-1982.

ROWS MAY NOT EQUAL 100 PERCENT DUE TO ROUNDING

TABLE 22

STATE AID
CITY OF BOSTON STATE REVENUE RECEIPTS BY FUNCTION, 1960 - 1982
(IN MILLIONS OF CURRENT YEAR DOLLARS)

YEAR	TOTAL	EDUCATION CAPITAL	EDUCATION OPERATING	URBAN RENEWAL	HIGH-WAY	COURT	OTHER
1960	36.0	.1	2.8	.0	.0	.0	32.6
1961	40.0	.3	7.0	.0	.0	.2	32.3
1962	40.0	.2	5.6	.3	.0	.3	33.7
1963	43.0	.2	6.0	.2	1.1	.3	34.8
1964	30.0	.2	5.2	.4	2.0	.4	22.2
1965	25.0	.2	6.0	.0	.3	.3	17.8
1966	29.0	.2	11.3	.2	1.4	.3	15.8
1967	58.0	.2	22.8	.2	1.0	.3	32.8
1968	47.0	.6	22.9	2.0	.0	.2	21.2
1969	44.0	.5	24.1	.6	.8	.4	17.4
1970	52.0	.4	40.6	.8	2.9	.6	6.7
1971	40.0	2.3	27.0	2.8	.4	.0	7.2
1972	88.0	2.5	68.5	1.9	6.8	.3	8.3
1974*	105.0	4.0	82.2	1.8	4.3	1.0	12.2
1975	98.0	10.5	68.6	1.7	1.8	.6	14.4
1976	137.0	31.9	88.3	1.7	1.4	.7	12.1
1977	133.0	16.2	100.3	1.7	1.5	.7	12.7
1978	139.0	17.7	97.2	1.7	1.4	3.7	17.0
1979	197.0	15.4	122.0	3.7	1.3	28.9	25.5
1980@	181.8	14.3	122.4	1.7	2.0	.4	41.0
1981@	186.4	18.5	122.9	1.7	.9	.4	42.0
1982@	218.7	15.2	127.2	.9	1.1	.4	73.9

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979.
CITY OF BOSTON, OFFICE OF INTERGOVERNMENTAL RELATIONS, "BOSTON CHERRY SHEET AID: FY80,FY81,FY82," JAN. 1982.

TABLE 23

STATE AID
CITY OF BOSTON STATE REVENUE RECEIPTS BY FUNCTION, 1960 - 1982
(IN MILLIONS OF CONSTANT FY1981 DOLLARS)

YEAR	TOTAL	EDUCATION CAPITAL	EDUCATION OPERATING	URBAN RENEWAL	HIGH-WAY	COURT	OTHER
1960	122.8	.3	9.5	.0	.0	.0	111.2
1961	132.8	1.0	23.2	.0	.0	.7	107.2
1962	128.4	.6	18.0	1.0	.0	1.0	108.2
1963	134.6	.6	18.8	.6	3.4	.9	108.9
1964	91.5	.6	15.9	1.2	6.1	1.2	67.7
1965	74.2	.6	17.8	.0	.9	.9	52.9
1966	81.8	.6	31.9	.6	3.9	.8	44.6
1967	154.3	.5	60.6	.5	2.7	.8	87.2
1968	118.9	1.5	57.9	5.1	.0	.5	53.6
1969	103.4	1.2	56.6	1.4	1.9	.9	40.9
1970	112.8	.9	88.1	1.7	6.3	1.3	14.5
1971	81.2	4.7	54.8	5.7	.8	.0	14.6
1972	169.8	4.8	132.2	3.7	13.1	.6	16.0
1974*	183.7	7.0	143.8	3.1	7.5	1.7	21.3
1975	153.9	16.5	107.7	2.7	2.8	.9	22.6
1976	198.6	46.3	128.0	2.5	2.0	1.0	17.5
1977	180.9	22.0	136.4	2.3	2.0	1.0	17.3
1978	176.5	22.5	123.4	2.2	1.8	4.7	21.6
1979	232.5	18.2	144.0	4.4	1.5	34.1	30.1
1980@	198.2	15.6	133.4	1.9	2.2	.4	44.7
1981@	186.4	18.5	122.9	1.7	.9	.4	42.0
1982@	203.4	14.1	118.3	.8	1.0	.4	68.7

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979.
CITY OF BOSTON, OFFICE OF INTERGOVERNMENTAL RELATIONS, "BOSTON CHERRY SHEET AID: FY80,FY81,FY82," JAN. 1982.

ROWS MAY NOT EXACTLY EQUAL TOTAL DUE TO ROUNDING

TABLE 24

STATE AID
COMPOSITION OF STATE REVENUE TO THE CITY OF BOSTON, 1960 - 1982
(IN PERCENT)

YEAR	TOTAL	EDUCATION CAPITAL	EDUCATION OPERATING	URBAN RENEWAL	HIGH-WAY	COURT	OTHER
1960	100	.3	8	.0	.0	.0	91
1961	100	.8	17	.0	.0	.5	81
1962	100	.5	14	.8	.0	.8	84
1963	100	.5	14	.5	2.6	.7	81
1964	100	.7	17	1.3	6.7	1.3	74
1965	100	.8	24	.0	1.2	1.2	71
1966	100	.7	39	.7	4.8	1.0	54
1967	100	.3	39	.3	1.7	.5	57
1968	100	1.3	49	4.3	.0	.4	45
1969	100	1.1	55	1.4	1.8	.9	40
1970	100	.8	78	1.5	5.6	1.2	13
1971	100	5.7	67	7.0	1.0	.0	18
1972	100	2.8	78	2.2	7.7	.3	9
1974*	100	3.8	78	1.7	4.1	1.0	12
1975	100	10.7	70	1.7	1.8	.6	15
1976	100	23.3	64	1.2	1.0	.5	9
1977	100	12.2	75	1.3	1.1	.5	10
1978	100	12.7	70	1.2	1.0	2.7	12
1979	100	7.8	62	1.9	.7	14.7	13
1980@	100	7.9	67	.9	1.1	.2	23
1981@	100	9.9	66	.9	.5	.2	23
1982@	100	7.0	58	.4	.5	.2	34

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979.
CITY OF BOSTON,OFFICE OF INTERGOVERNMENTAL RELATIONS, "BOSTON CHERRY SHEET AID: FY80,FY81,FY82,"JAN. 1982.

ROWS MAY NOT EQUAL 100 PERCENT DUE TO ROUNDING

Federal Aid

Federal aid experienced a $118 gain between 1960 and 1980, measured in constant dollars, a virtual doubling in real terms (Tables 25, 26 and 27). Federal aid grew from $53 to $122 million between 1960 and 1967, fell to $18 million in 1969, rose again to $182 million in 1976, and fell again to $171 million in 1980. Whereas, direct federal aid to the City in the 1960s was almost exclusively education and welfare, by the mid-1970s aid covered a much broader spectrum ranging from manpower and urban economic development to direct fiscal assistance to Boston. The largest gains have occurred since 1973. Part of the reduction in the "human services" component reflected the changing nature of welfare payments between the 1960s and 1970s.

In summary, the patterns of Boston's revenues sources for City government has changed over the last twenty years showing a lower reliance on local tax and non-tax sources and a greater reliance on state (and federal) aid. While these changes have allowed the City to achieve a diversified revenue base over the twenty-year period, it puts the City at the mercy of the annual state budget formulation and legislative process.

TABLE 25

FEDERAL AID
CITY OF BOSTON FEDERAL REVENUE RECEIPTS BY FUNCTION, 1960-1982
(IN MILLIONS OF CURRENT YEAR DOLLARS)

YEAR	TOTAL	EDUCATION	URBAN ECONOMIC DEVELOPMENT	MANPOWER DEVELOPMENT	FISCAL ASSISTANCE	WELFARE/ HUMAN SERVICES	OTHER
1960	15.5	.1	.0	.0	.0	15.4	.0
1961	19.3	.2	.0	.0	.0	19.1	.0
1962	21.9	.1	.0	.0	.0	21.8	.0
1963	24.0	.4	.0	.0	.0	23.6	.0
1964	26.6	.9	.0	.0	.0	25.7	.0
1965	30.2	1.7	.0	.0	.0	28.5	.0
1966	40.8	5.6	.0	.0	.0	35.2	.0
1967	46.0	6.4	.2	.0	.0	39.4	.0
1968	37.7	7.2	.3	.0	.0	30.1	.1
1969	7.7	5.9	1.5	.0	.0	.3	.0
1970	14.9	8.3	1.1	.1	.0	4.6	.8
1971	23.0	8.6	2.3	.7	.0	9.9	1.5
1972	29.6	10.4	2.9	3.7	.0	11.4	1.2
1974*	71.8	14.4	2.1	5.0	29.0	14.8	6.5
1975	88.8	13.3	4.1	22.7	21.0	23.4	4.3
1976	125.3	14.0	31.0	27.4	41.0	6.5	6.2
1977	132.9	20.0	36.2	35.4	33.0	2.8	5.5
1978	137.9	14.8	31.7	39.0	46.4	2.2	3.8
1979	148.0	25.0	40.0	52.0	26.8	2.0	2.8
1980@	156.7	20.2	42.2	47.5	39.9	2.7	4.2
1981@	167.4	25.9	77.7	29.9	21.9	11.7	1.1
1982@	115.8	20.9	55.9	9.2	18.6	11.0	.3

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. CITY OF BOSTON, OFFICE OF INTERGOVERNMENTAL RELATIONS, "THE EFFECTS OF PRESIDENT REAGANS PROPOSED FISCAL YEAR 1983 ON THE CITY OF BOSTON," FEBRUARY 1982.

TABLE 26

FEDERAL AID
CITY OF BOSTON FEDERAL REVENUE RECEIPTS BY FUNCTION, 1960-1982
(IN MILLIONS OF CONSTANT FY81 DOLLARS)

YEAR	TOTAL	EDUCATION	URBAN ECONOMIC DEVELOPMENT	MANPOWER DEVELOPMENT	FISCAL ASSISTANCE	WELFARE/ HUMAN SERVICES	OTHER
1960	52.9	.3	.0	.0	.0	52.5	.0
1961	64.1	.7	.0	.0	.0	63.4	.0
1962	70.3	.3	.0	.0	.0	70.0	.0
1963	75.1	1.3	.0	.0	.0	73.9	.0
1964	81.1	2.7	.0	.0	.0	78.4	.0
1965	89.7	5.0	.0	.0	.0	84.6	.0
1966	115.1	15.8	.0	.0	.0	99.3	.0
1967	122.4	17.0	.5	.0	.0	104.8	.0
1968	95.4	18.2	.8	.0	.0	76.2	.3
1969	18.1	13.9	3.5	.0	.0	.7	.0
1970	32.3	18.0	2.4	.2	.0	10.0	1.7
1971	46.7	17.5	4.7	1.4	.0	20.1	3.0
1972	57.1	20.1	5.6	7.1	.0	22.0	2.3
1974*	125.6	25.2	3.7	8.8	50.7	25.9	11.4
1975	139.4	20.9	6.4	35.6	33.0	36.7	6.8
1976	181.7	20.3	44.9	39.7	59.4	9.4	9.0
1977	180.7	27.2	49.2	48.1	44.9	3.8	7.5
1978	175.1	18.8	40.3	49.5	58.9	2.8	4.8
1979	174.6	29.5	47.2	61.4	31.6	2.4	3.3
1980@	170.8	22.0	46.0	51.8	43.5	2.9	4.6
1981@	167.4	25.9	77.7	29.9	21.9	11.7	1.1
1982@	107.7	19.4	52.0	8.6	17.3	10.2	.3

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979.
CITY OF BOSTON, OFFICE OF INTERGOVERNMENTAL RELATIONS, "THE EFFECTS OF PRESIDENT REAGANS PROPOSED FISCAL YEAR 1983 ON THE CITY OF BOSTON," FEBRUARY 1982.

ROWS MAY NOT EXACTLY EQUAL TOTAL DUE TO ROUNDING

TABLE 27

FEDERAL AID
COMPOSITION OF FEDERAL AID TO THE CITY OF BOSTON, 1960-1982
(IN PERCENT)

YEAR	TOTAL	EDUCA-TION	URBAN ECONOMIC DEVELOPMENT	MANPOWER DEVELOP-MENT	FISCAL ASSIST-ANCE	WELFARE/ HUMAN SERVICES	OTHER
1960	100	.6	.0	.0	.0	99.4	.0
1961	100	1.0	.0	.0	.0	99.0	.0
1962	100	.5	.0	.0	.0	99.5	.0
1963	100	1.7	.0	.0	.0	98.3	.0
1964	100	3.4	.0	.0	.0	96.6	.0
1965	100	5.6	.0	.0	.0	94.4	.0
1966	100	13.7	.0	.0	.0	86.3	.0
1967	100	13.9	.4	.0	.0	85.7	.0
1968	100	19.1	.8	.0	.0	79.8	.3
1969	100	76.6	19.5	.0	.0	3.9	.0
1970	100	55.7	7.4	.7	.0	30.9	5.4
1971	100	37.4	10.0	3.0	.0	43.0	6.5
1972	100	35.1	9.8	12.5	.0	38.5	4.1
1974*	100	20.1	2.9	7.0	40.4	20.6	9.1
1975	100	15.0	4.6	25.6	23.6	26.4	4.8
1976	100	11.2	24.7	21.9	32.7	5.2	4.9
1977	100	15.0	27.2	26.6	24.8	2.1	4.1
1978	100	10.7	23.0	28.3	33.6	1.6	2.8
1979	100	16.9	27.0	35.1	18.1	1.4	1.9
1980@	100	12.9	26.9	30.3	25.5	1.7	2.7
1981@	100	15.5	46.4	17.9	13.1	7.0	.7
1982@	100	18.0	48.3	7.9	16.1	9.5	.3

* NOTE: FY1974 INCLUDES 18 MONTH TIME SPAN, 12 MONTHS 1973 PLUS FIRST 6 MONTHS 1974. HIGHER TOTAL REFLECTS THIS FACT. YEARS 1975 AND AFTER ARE FISCAL YEARS.

@ NOTE: 1980-1982 EXPENDITURE AND REVENUE SERIES SUB-CATEGORIES MAY NOT BE ENTIRELY CONSISTENT WITH PRIOR YEAR SUB-CATEGORIES BECAUSE PRELIMINARY AND LESS DETAILED REPORTS WERE USED.

SOURCE: CITY OF BOSTON AND COUNTY OF SUFFOLK, AUDITING DEPARTMENT, ANNUAL FINANCIAL REPORTS, 1960-1979. CITY OF BOSTON, OFFICE OF INTERGOVERNMENTAL RELATIONS, "THE EFFECTS OF PRESIDENT REAGANS PROPOSED FISCAL YEAR 1983 ON THE CITY OF BOSTON," FEBRUARY 1983.

ROWS MAY NOT EQUAL 100 PERCENT DUE TO ROUNDING

IV. RECENT TRENDS IN BOSTON FISCAL MATTERS, 1980-1982

The 1980s ushered in a period of fiscal stress on the City of Boston due to Tregor property tax abatements, Proposition 2½ property tax limitation measures, and federal cutbacks and state tax reform uncertainties. Due to the curtailment of revenues, the City has had to alter past spending trends in order to balance City accounts. This section documents the changes in expenditures and revenues during the early 1980s as Boston has responded to revenue shortfalls. While property tax limitation has lessened the City's reliance on this tax, it has created a severe gap requiring a search for newer funds.

Expenditures

Total expenditures declined by $12 million between 1980 and 1982. Expressed in fiscal 1981 (constant) dollars, this drop represents a 8 percent fall. Departmental operating expenditures fell by 22 percent and school outlays by 23 percent, while capital spending experienced a severe 90 percent reduction. Fixed costs, on the other hand, rose and now account for 35 percent of total expenditures. Boston was indeed forced to cut expenditures in order to deal with declining revenues.

A more detailed view of expenditure cuts across sub-categories of expenditures is available. Most of the major reductions in departmental operating expenditures centered in human services, public safety, and community services. Health and hospitals and the "other" departmental categories experienced lesser reductions. School departmental outlays received similar treatment. Fixed cost expenditures held up; the only significant drop was in debt service as the City retired debt and issued no new long-term bonds in those years.

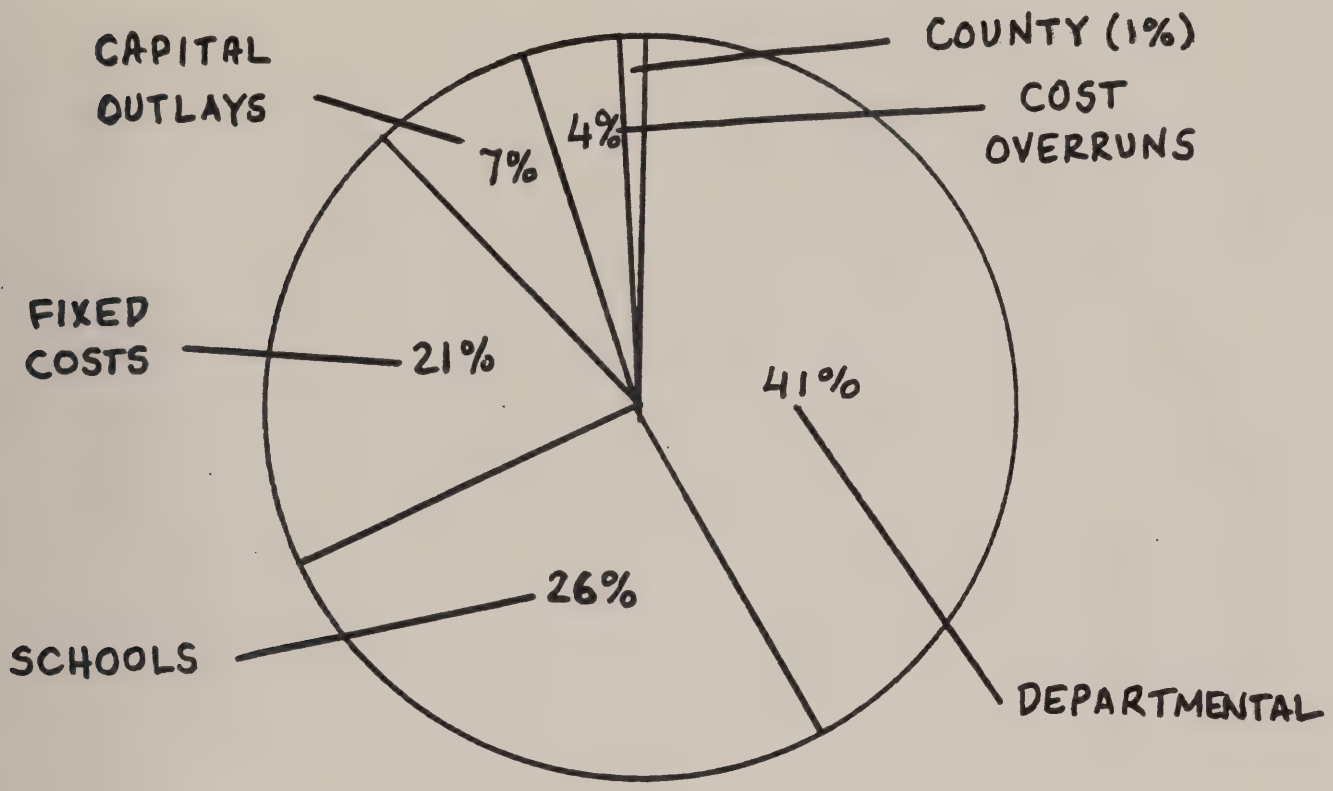
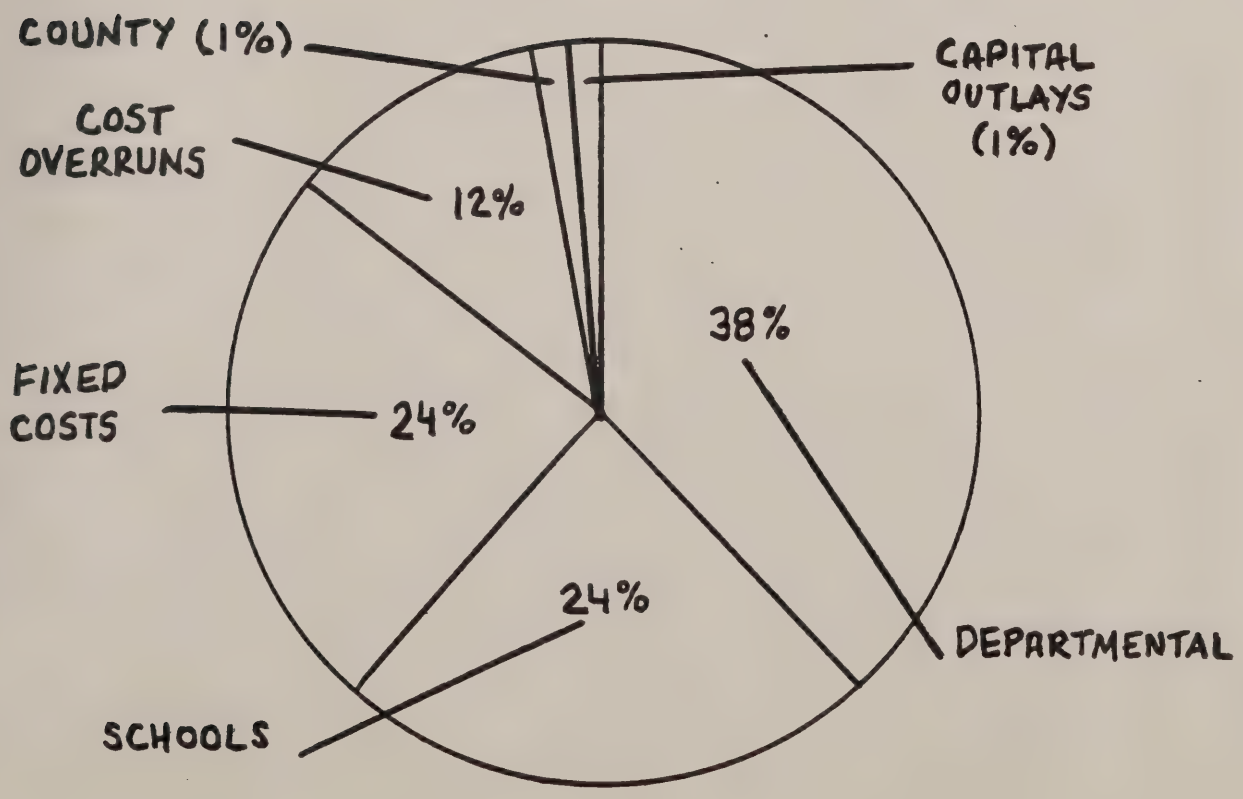
Revenues

On the revenue side, property tax collections registered a decline from $433 million in 1980 to $381 million in 1982, a loss of 14 percent, due to Proposition 2½, (measured in dollars of constant value). The motor vehicle excise tax collection also fell from $17 million in 1980 to only $5.3 million in 1982. Non-tax revenue remained steady as the growth in parking fine collection substituted for the reduction in other non-tax revenue. State aid rose as the allotment to the City, 1980-1982, was raised to partially offset the impact of 2½. Federal aid was curtailed from $171 million in FY1980 to $108 million in FY1982 due to reductions in federal urban programs and the loss of manpower development funding. Shortfalls in City revenue sources made expenditure cuts a necessity.

The experience of the first two years of the 1980s show that the City is indeed in a very tight fiscal situation. Revenue cutbacks stemming from three sources have been largely to blame: court-ordered payment of the "Tregor" abatements, Proposition 2½ property tax limitation measures, and federal budget cuts in both general fiscal assistance and categorical grant programs.. As the record here shows, the 1980-1982 period has been one of a fiscal challenge to the City to keep essential expenditures going in the face of declining revenues. Trends of change in expenditure and revenue in the 1980s give a glimpse of the strategic challenge to the City during the rest of the decade.

COMPOSITION AND CHANGE OF BOSTON EXPENDITURES, 1980 - 1982

1980



1982